



Purchase and maintenance of pool vehicles cost govt. billions

June 25, 2019

A significant portion of government resources is spent on procurement, maintenance and recoupment of government vehicles annually.

The government spent Nu 816.9M on buying pool vehicles, maintenance, and hiring of vehicles in the fiscal year 2017-2018, according to the Royal Audit Authority (RAA) report on government vehicles and foreign vehicle quota system.

The total cost on purchase of vehicles, maintenance and rental of vehicle cost the state more than Nu 3B (billion) from the financial year 2013-14 to 2017-18.

Between these financial years, the government vehicle expenses for 10 ministries amounted to Nu 2.2B followed by Nu 640.77M for 20 dzongkhags and Nu 773.54M for autonomous and other agencies.

The RAA review of existing system and practices indicated inadequacies, inconsistencies and shortcomings.

The RAA pointed out that most of the initiatives were not achieved because of lack of clear strategy in place and nonadherence from relevant authorities on various directives, notifications and circulars issued from time to time.

Although, the finance ministry (MoF) has drafted the 'Strategies for Managing Government Vehicles,' the report stated that it has not received any formal endorsement from the government until today. In the absence of an overall clear strategy, there was no framework that would serve as the guiding tool for determining the realistic economic useful life of vehicles, standards on maintenance, and standardisation of types of vehicles based on the nature of duties.

RAA pointed out lack of proper and consistent basis to provide designated vehicles as entitlement to various position levels because some are governed by Acts, some by Rules and some by guidelines, circulars/notifications.

For instance, the entitlement for drangpons, members and commissioners of Constitutional Offices are governed by judicial service Act 2007. Similarly, entitlement for cabinet members and equivalent positions are governed by the circular for entitlement for cabinet ministers and speakers and the secretaries of the ministries, chairman of the Royal Advisory Council, cabinet secretary and dzongdag are governed by Rules on the use of government pool vehicles, 2000.

RAA pointed out the need for consolidation of various legislations, rules, circulars and notifications to bring clarity on their relevance and applicability.

RAA reported inconsistency in provisions on the entitlement of designated vehicles. Designated vehicles are those vehicles which are provided to government officials who are entitled based on the relevant laws, rules, and policies. There were 167 officials, who are not eligible for designated vehicles. It amounted to Nu 45.77M. “167 common pool vehicles were used as designated vehicles and an amount of Nu 45.77M were incurred on maintenance and Petroleum, Oil, and Lubricants (POL) between the 2016-17 and 2017-18 fiscal year,” the report presented to the joint sitting pointed out.

RAA noted that in some secretariat, departments, autonomous agencies and dzongkhags, there were no common pool vehicles because it was designated to the head of divisions, departments and agencies. “The use of common vehicles as a designated vehicle in the absence of any entitlement rules can be construed as misuse of Government vehicle.”

RAA recommended an immediate need to review and bring clarity in the entitlement of designated vehicles for positions not covered by the extant rules and guidelines. “The MoF should also bring clarity on the purposes of the use of designated vehicles for better control and accountability.”

Various conflicting and inconsistent rules and regulations that led to the problems were pointed out. “There are number of rules and policies which agencies are unaware of and readily not available. Therefore, the legality of existing rules and regulations were not established as many provision were not applicable or not followed,” the report stated.

The RAA also observed that there were loopholes in the policy of providing utility vehicles. For instance, all dzongkhags were provided with two utility vehicles irrespective of their size, nature of duties and prevailing road conditions. “The MoF has not acted on the policy adopted on the number of utility vehicles to be maintained in each agency.”

MoF had started the standardisation of the government vehicles from 2008, stating that the cabinet members and speakers are entitled for one exclusive staff car with driver. However, the RAA found out that out of the 106 positions eligible for designated vehicles, 45 position levels were not allotted as per the standardisation policy and guidelines in place.

The RAA also found variation in millage. Analysis carried out by RAA shows low average mileage by government vehicles compared to average company mileage.

In view of variation in mileage and in the absence of standard mileage for each vehicle, the report states that there was a weak control for ensuring efficiency in the management of fuel and maintenance expenses. “Such inadequacies in the system may provide rooms for manipulation on the quantity of fuel recouped and the mileage shown by each vehicle and agency,” it stated.

Meanwhile, RAA, RBP and agencies reported more than 106 unauthorised uses of pool vehicles offenses for the year 2017-18. The review of the movement orders and log book by the RAA noted cases where vehicles were used for the minister’s spouse and use of the common car as a backup for ministers. Further, the RBP monitoring report showed usage of a government vehicle for private use in the name of emergency needs without reimbursement or payment for the same as required by rule.

Phub Dem